GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:875
ANSWERED ON:22.11.2007
EVALUATION OF DRUG POLICY AND PRICE CONTROLLING MECHANISM
Sharma Shri Madan Lal

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government has conducted any study to evaluate the effectiveness of drug policy and price controlling mechanism so as to check improper profit earned by the drug manufacturing companies;

(b) if so, the details thereof alongwith implementation and the lacunae in the drug policy and price controlling system; and

(c) the steps taken by the Government to increase the production of life saving drugs and make them available at cheaper prices?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFIRS (SHRI B.K. HANDIQUE)

(a): No, Sir.

(b): The question does not arise in reply to (a) above.

(c): The prices of 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are controlled in accordance with the provisions of the DPCO, 95 by the National Pharmaceutical Pricing Authority (NPPA). In case of any overcharging, action for recovery of overcharged amount is taken by NPPA. Hence, prices of medicines under price control have been effectively controlled and kept low.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. Prices of these drugs are regularly monitored and corrective measures taken where public interest is found to be adversely affected.

The Drugs (Prices Control) Order, 1995 does not distinguish between life saving and other drugs. There are no specific norms or guidelines to determine as to which drug can be classified as life saving drugs. Every drug in general is considered useful in saving and prolonging of life.

The Drug Policy as announced from time to time is directed towards making available quality drugs at reasonable prices to the poor.